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NOV 17 2006

DIV. OF OIL, GAS & MINING

November 17, 2006

Lynn Kunzler
Department of Natural Resources
Division of Oil, Gas and Mining
Salt Lake City, UT
FAX: 801.359.3940

Greetings,

Per our phone conversation this morning I am sending a copy of the letter we mailed on 10.30.06. Please advise on bond details after you review our restoration work. As I indicated, there may be the possibility that we want to do a new lease after discussing issues with you.

Sincerely,

Gary Mullard
Gary Mullard
President

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**NORTHERN STONE SUPPLY, INC.***Producing Quality Building Stone Products for Worldwide Distribution*

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*GM
copy**10-30-06 11:00 AM Cost: 1/10/06 receipt*

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DIV. OF OIL, GAS & MINING

October 31, 2006

John T. Blake, Trust Lands Specialist
State of Utah Trust Lands Administration
675 East 500 South, Suite #500
Salt Lake City, UT 84102-2811

Re: Your September 14, 2006 letter concerning a new lease for the SE ¼, SE ¼ of section 2, T10N, R16W, SLB & M in Box Elder County where we operate our Quartzite Building Stone Quarry.

Greetings,

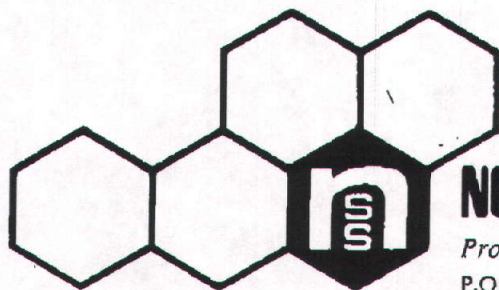
It is with reluctance that we choose to not renew the new lease that would become effective on November 1, 2006. During the course of the past year we have faced a diminishing profit level for our quarry operation, mainly due to more difficulty in digging the stone and finding adequate splitting stone to supply our crew. I feel that it is more prudent to concentrate our resources and energy in our Park Valley quarry.

We have conducted what I feel is the neatest small stone quarry operation in Utah and when we finish our restoration work so that our bond can be released, I believe you will be pleased. You can depend on restoration work to be completed within 6 months or sooner. We hope to finish the restoration this fall and will be in touch with Lyn Kunzler to review everything.

Sincerely,

Gary Mullard
Gary Mullard
President

lw

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